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September 27, 2002

Ex Parte

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445<sup>th</sup> Street, SW  
Washington, DC 20554

Re: CC Docket No. 01-338

Dear Ms. Dortch:

On September 26, 2002, Keith Milner, Gary Tennyson, Ted Kingsley, Bob Blau and the undersigned, all representing BellSouth, met with Alvard Gonzalez, Jeremy Marcus, Dennis Johnson, Ian Dillner, Shanti Gupta, Jerry Stanshine, Jonathan Reel, Tom Navin, Don Stockdale, Rob Tanner, Claudia Pabo, Elizabeth Yockus, Jeremy Miller, Bill Sharkey, Chris Barnekov, Julie Veach, Ben Childers, Daniel Shiman, Mike Engel and Gina Spade in connection with the above referenced proceeding. During this meeting, BellSouth explained that AT&T's electronic loop provisioning (ELP) process can not be justified. First, the existing hot cut process is reliable. Second, ELP can not be justified based on its cost. The cost that would be avoided with ELP is only a one-time cost of \$13 per loop transferred versus a recurring monthly charge of \$6.67 on all lines. Third, ELP is not the best architecture to enable DSL and would impede DSL innovation. The attached handout was used in this meeting.

In accordance with Section 1.1206 of the Commission's rules, I am filing two copies of this notice and request that you associate this notice with the record in the above referenced proceeding. Please call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'W.W. Jordan', with a stylized, cursive script.

W.W Jordan

Attachment

Cc: Alvard Gonzalez WCB/PPD  
Jeremy Marcus WCB/PPD  
Dennis Johnson WCB/CPD  
Ian Dillner WCB/CPD  
Shanti Gupta OET/NTD  
Jerry Stanshine OET/NTD  
Jonathan Reel EB/MDRD  
Tom Navin WCB/CPD  
Don Stockdale OPP  
Rob Tanner WCB/CPD  
Claudia Pabo WCB/CPD  
Elizabeth Yockus WCB/CPD  
Jeremy Miller WCB/CPD  
Bill Sharkey OPP  
Chris Barnekov WCB/PPD  
Julie Veach WCB/CPD  
Ben Childers WCB/CPD  
Daniel Shiman WCB/CPD  
Mike Engel WCB/CPD  
Gina Spade WCB/CPD

**BELLSOUTH**

# Review of AT&T's ELP Proposal

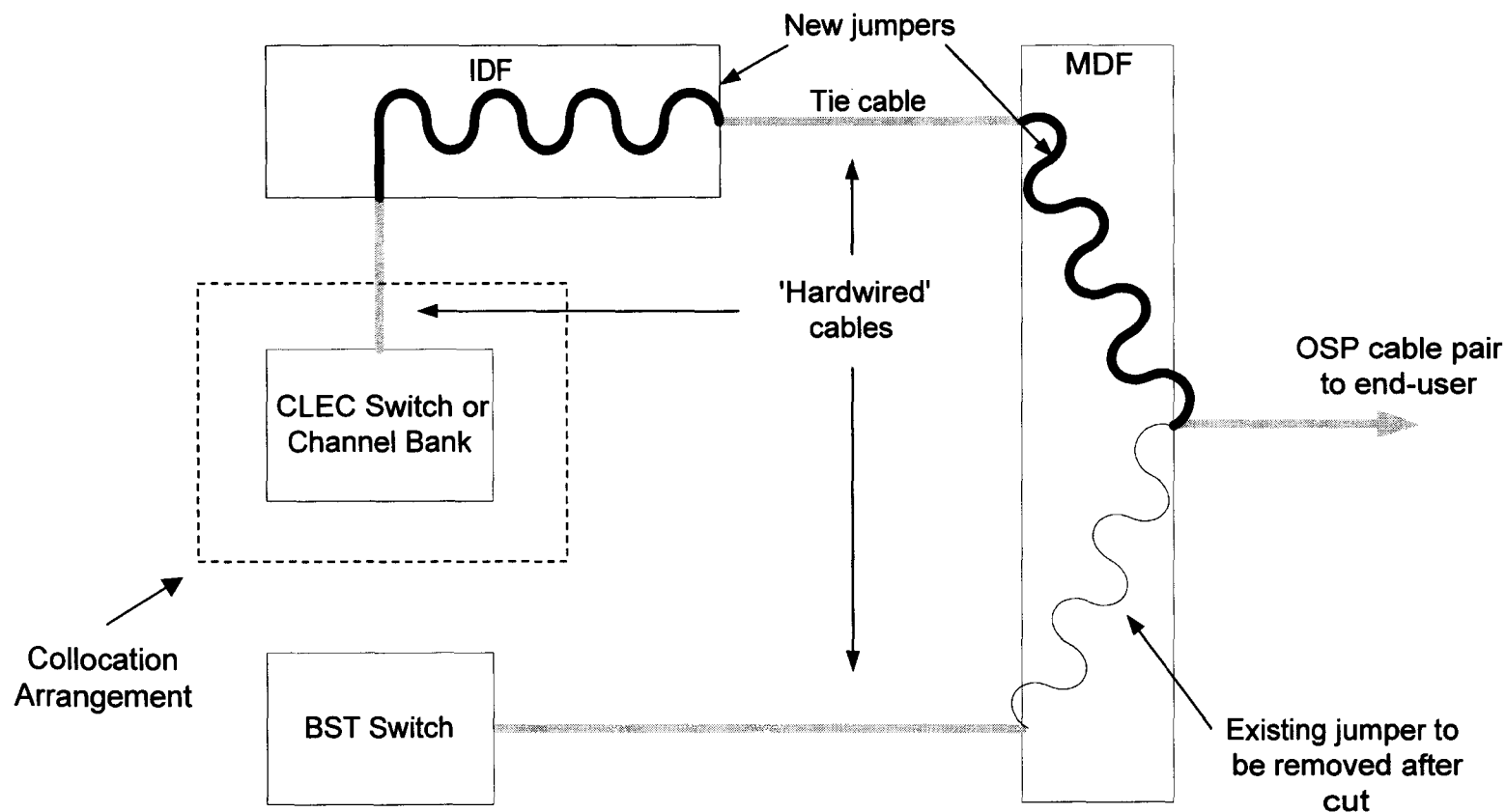
BellSouth

September 26, 2002

# Overview

- Contrary to AT&T's claim, the existing manual transfer process for "hot cuts" is reliable
- ELP cannot achieve its stated objective because "hot cuts" will still be necessary
- ELP cannot be justified based on the cost of transferring loops
- If the goal is to enable DSL on all loops, ELP is not the best architecture and it will impede DSL innovation

# The Existing Process



## AT&T's Portrayal of the “Hot Cut” Process as Expensive and Unreliable is Inaccurate

- The existing “hot cut” process is both inexpensive (compared to ELP) and reliable
- AT&T and BellSouth co-developed the “hot cut” process in use across BellSouth’s region
- AT&T and BellSouth co-developed a process for “bulk migration” of UNE-P arrangements to stand-alone unbundled loops

## The Existing “Hot Cut” Process is Reliable

- 9,693 Coordinated Customer Conversions
- 9,655 (99.6%) completed within 15 minutes
- Involved 39,156 lines
- Average time per loop - 2 min, 42 sec
- Received a trouble report on less than 1% within 7 days of transfer

(Data from January - April, 2002 for coordinated conversions)

## “Hot Cuts” Are Still Necessary

- ELP cannot achieve its stated objective of switching service providers via a software-controlled process
- “Hot Cuts” will still be necessary for:
  - Facilities-based Telecommunications Competitors
  - Facilities-based Data Competitors
  - Competitors desiring mechanized test access
  - Competitors employing DSLAM’s

## ELP is Far More Expensive than the Existing “Hot Cut” Process

- A one-time cost of only about \$13 per loop transfer attributed to the actual central office wiring work is all that is avoided with ELP
  - \$7.68 - \$33.53 cost to CLEC, depending on state
  - Assumes loops that could be transferred using ELP, i.e., switched-access lines without mechanized test access points
- Compare to a recurring charge of about \$6.66 / month on every line in BellSouth to recover the cost of ELP

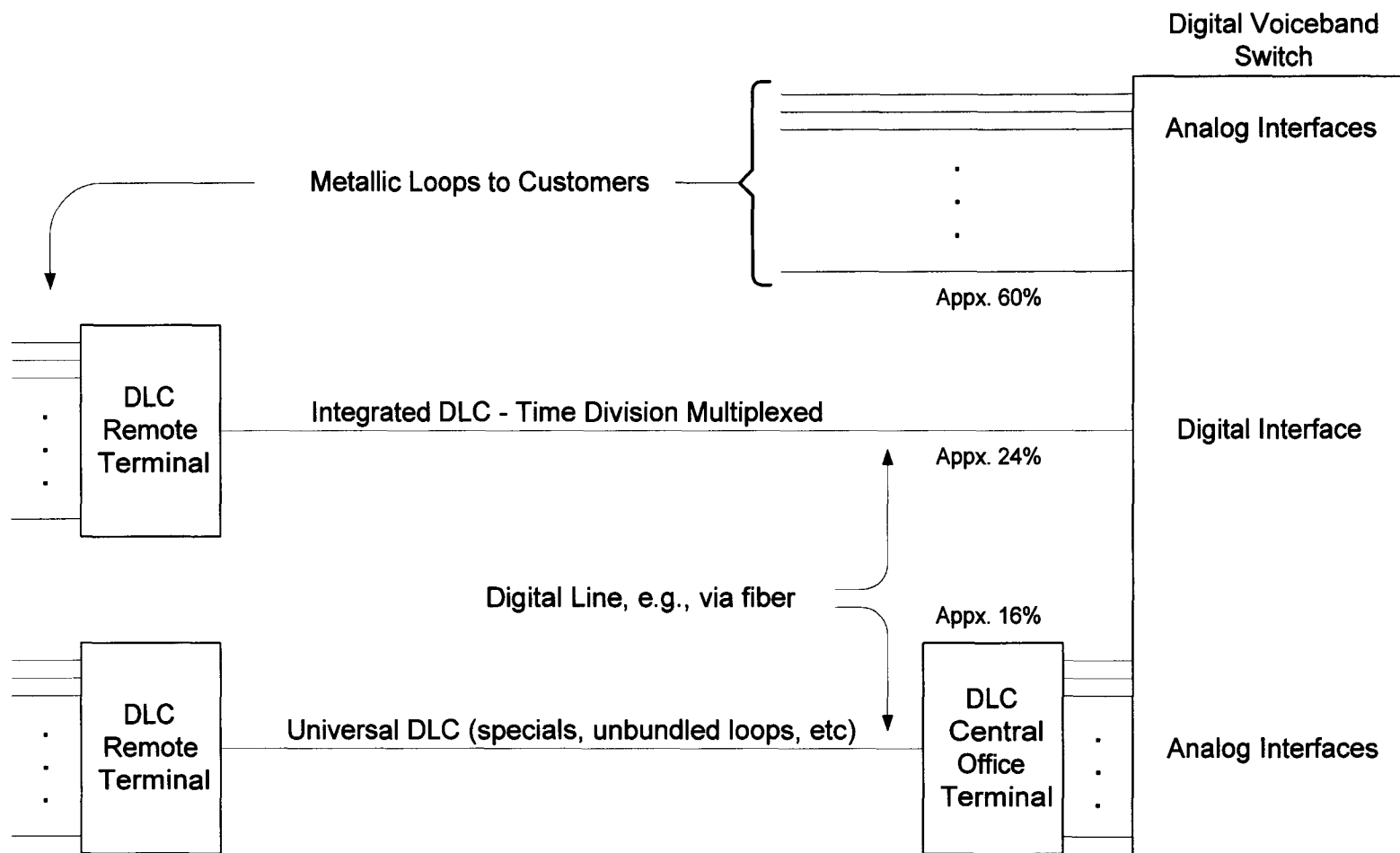
## The Cost of ELP

Estimated Initial ELP Cost in the BLS Region is about \$8 billion

- Detailed estimate follows
- Only the cost to eliminate “hot cuts,” does not improve DSL availability
- Would require an additional charge of about \$8 / month, if applied to every line, to recover cost

$$\frac{\$8 \text{ billion} \times 25\% \text{ carrying cost} / \text{year}}{25 \text{ million lines} \times 12 \text{ months} / \text{year}} = \$6.66 / \text{line} / \text{month}$$

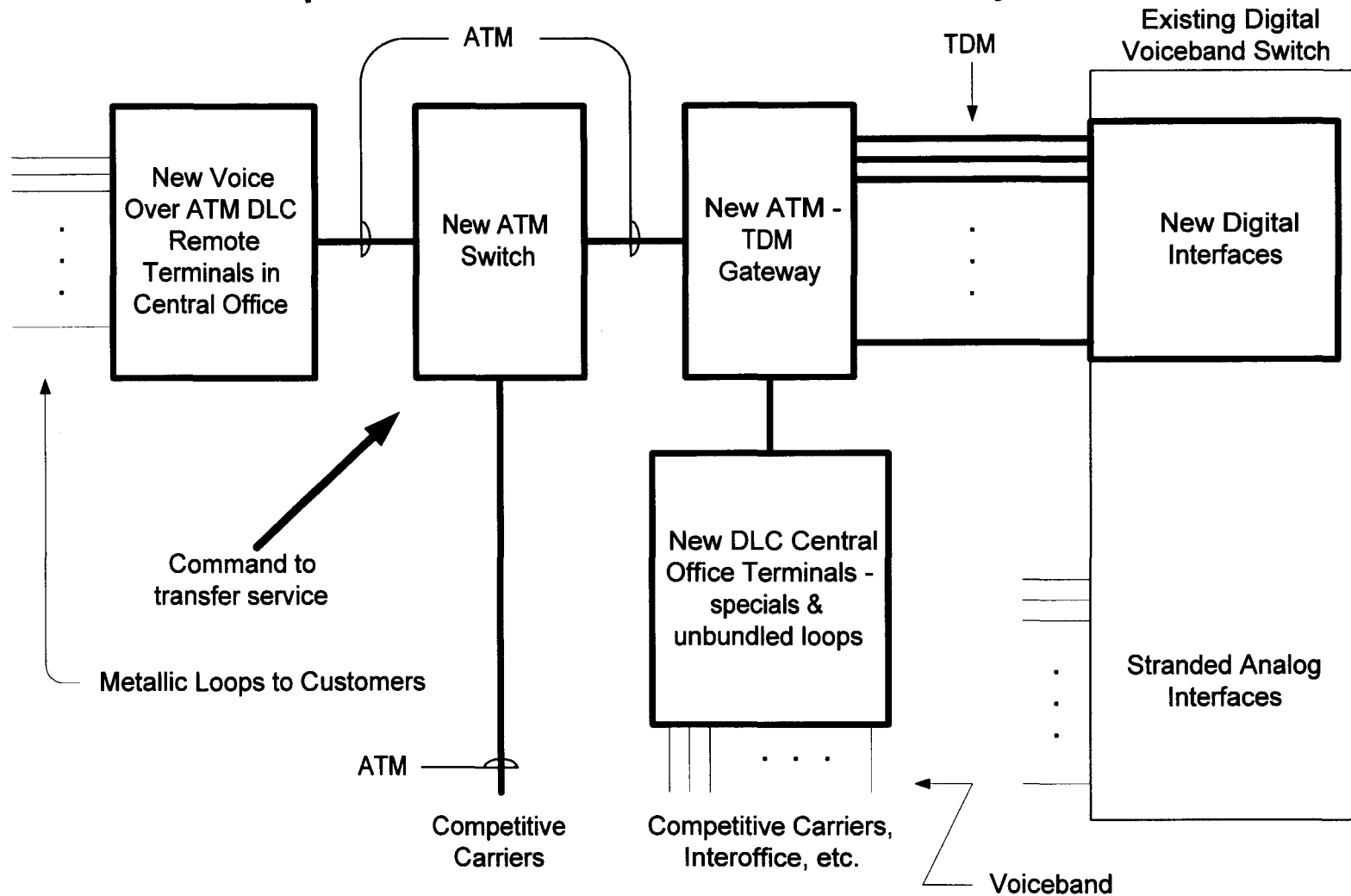
# Access Architectures



DLC: Digital Loop Carrier

# Minimum Cost ELP - Copper

## No Improvement in DSL Availability

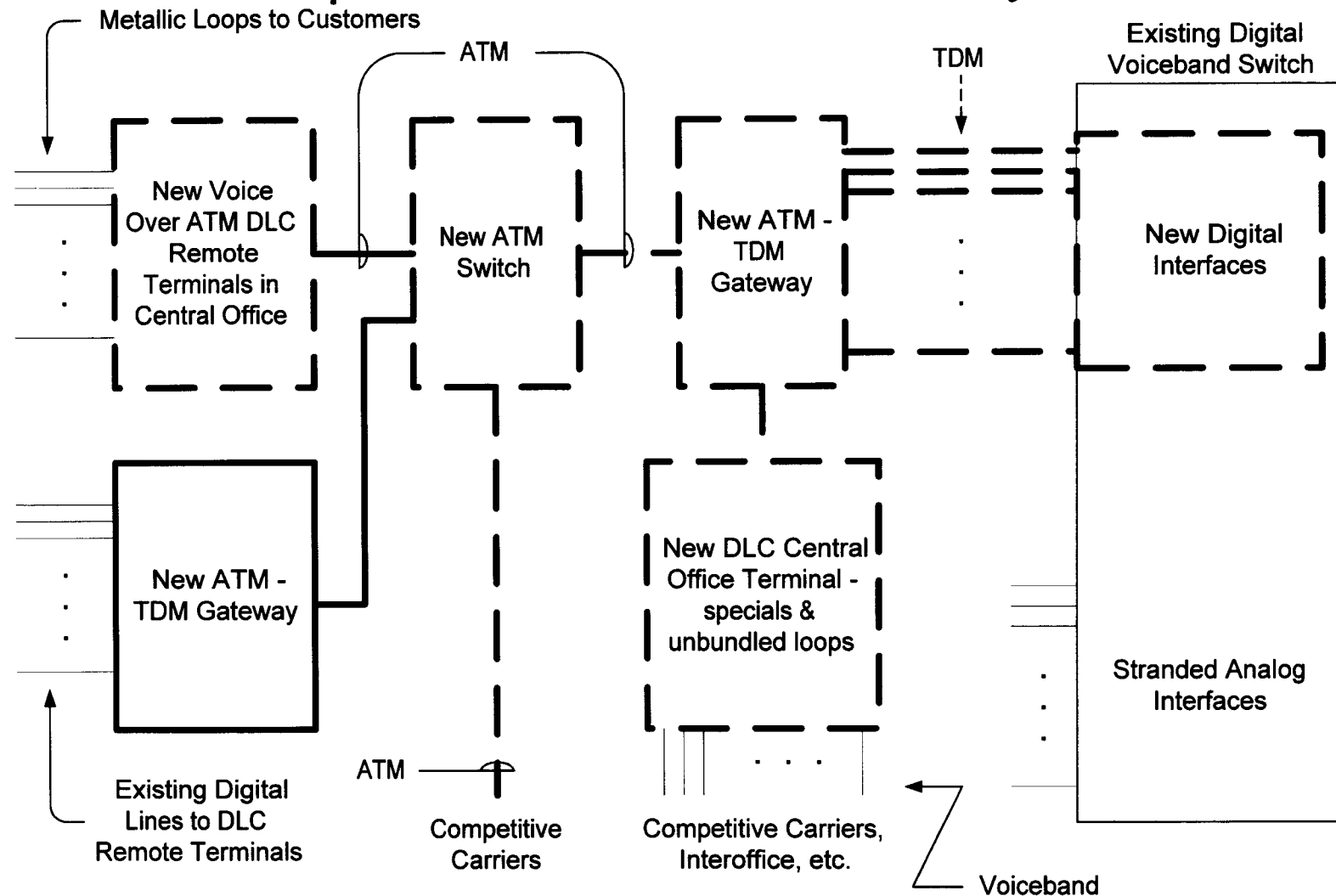


## ELP Cost Estimate - Copper Loops

DLC (ATM) RT in CO	\$ 98 / line
ATM Switch	\$ 82 / line
ATM - TDM Gateway	\$ 55 / line
Digital Interface	\$ 102 / line
Operations Support System	\$ 2 / line
	-----
Total	\$ 339 / line

# Minimum Cost ELP - DLC

## No Improvement in DSL Availability



## ELP Cost Estimate - DLC Loops

TDM - ATM Gateway	\$ 55 / line
ATM Switch	\$ 82 / line
ATM - TDM Gateway	\$ 55 / line
Digital Interface	\$ 102 / line
Operations Support System	\$ 2 / line
T1 Line Termination	\$ 3 / line
	-----
Total	\$ 299 / line

## ELP Cost Estimate - Copper & DLC

- Melded Cost = \$323 / line
  - 60 % of loops in BellSouth are all-copper
  - 40 % of loops are on DLC
- To realize the stated goal of transferring via a 'software command' all loops must be modified to an ELP architecture (estimated initial cost is over \$8 billion for BellSouth)
- Strands about \$1.6 billion in analog line equipment for BellSouth
- This cost provides for no improvement in DSL availability

## AT&T's Assertion that ELP is Best Means to Increase DSL Availability is False

- Quoting one of AT&T's 'Engineering Goals' for ELP: *Want all lines to efficiently support DSL*
- ELP is not the best architecture for increasing DSL availability
  - Increasing DSL availability requires remote DSLAM's or NGDLC
  - Remote DSLAM's already installed at most larger Remote Terminal sites in BellSouth
  - At smaller Remote Terminal sites, NGDLC costs \$50 to \$100 more (per loop) than alternatives

## Today's DSL Market

- Service providers employ their own DSLAM's
  - Variants of DSL targeted to different markets
  - Allows configuration of data rates
  - Customer support / network management requires control of network-end product, e.g., DSLAM
- Service providers deal directly with DSL equipment vendors
  - Product selection
  - Product evolution
- Innovation driven by needs communicated to vendors

## ELP Would Stifle Innovation in DSL and New Loop Technologies

- With ELP, DSL would transfer via a 'software command.'
  - Requires a common network-end product, i.e., DSALM or NGDLC
  - Interoperability issues with the end-user's modem
- A common network-end product limits service providers to only those interfaces selected by the product purchaser
  - Innovation stifled by regulatory overhead
  - Doesn't address network management issues